GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:2828
ANSWERED ON:02.12.2016
Salary of CEO
Nagar Shri Rodmal

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government has laid down any maximum limit for the salary of the Chief Executive Officer (CEO) of companies under the Companies Act, 1956 and if so, the details thereof;

(a) whether the Government has taken note of some companies paying more salary to their Chief Executive Officer more than the prescribed maximum salary limit; and

(b) if so, the details thereof and the action taken by the Government in this regard?

Answer

THE MINISTER OF STATE
IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI ARJUN RAM MEGHWAL)
???????? ????? ???????? ??? ????? ?????? (???? ?????? ??? ??????)

(a) to (c): The total managerial remuneration payable by a public company, to its managerial personnel including Board level Chief Executive Officer, is regulated under sections 197 to 200 read with Schedule V of the Companies Act, 2013 and the rules made thereunder. In respect of any financial year, the overall remuneration payable by a company to all its directors, shall not exceed eleven per cent of the net profits of the company for that financial year. In case of losses or inadequacy of profits, the remuneration may be paid, without approval of Central Government, provided it is within the limits prescribed, and subject to conditions specified in the Act and the rules thereunder. If the company is not able to comply with such provisions, then remuneration may be paid only with the approval of the Central Government.
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